

Ridgefield Surgical Center, LLC
901 Ethan Allen Highway
Ridgefield, CT 06877

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2004 MAY 13 PM 2:26
CONNECTICUT OFFICE OF
HEALTH CARE ACCESS

May 11, 2004

The Honorable Cristine A. Vogel
Commissioner
State of Connecticut
Office of Health Care Access
410 Capitol Avenue, MS #13HCA
P.O. Box 340308
Hartford, CT 06134-0308

RE: Letter of Intent
Ambulatory Surgical Center in Ridgefield, Connecticut

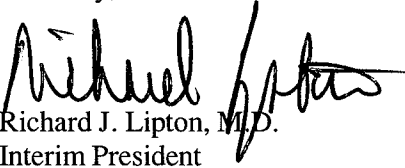
Dear Commissioner Vogel:

Enclosed please find a Letter of Intent for your consideration for the initiation of an Ambulatory Surgical Center under the corporate responsibility of the Ridgefield Surgical Center, LLC.

Ridgefield Surgical Center, LLC will be owned by Danbury Health Systems, Inc. and a group of approximately 28 Danbury area physicians and surgeons.

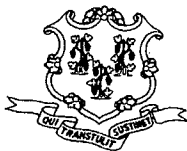
Correspondence can be directed to Mr. Keith A. Hovan, Senior Vice President/Operations, Danbury Hospital, 24 Hospital Avenue, Danbury, CT 06810.

Sincerely,


Richard J. Lipton, M.D.
Interim President

Enclosure (Form 2020, Letter of Intent for Ambulatory Surgical Center)

cc: Frank Kelly, President & CEO, Danbury Health Systems, Inc.
Gerard D. Robilotti, Executive Vice President, Danbury Health Systems, Inc.
Arthur N. Tedesco, Sr. V.P. & Treasurer, Danbury Health Systems, Inc.
J. Michael Eisner, Esq.
Keith A. Hovan, Sr. Vice President, Danbury Health Systems, Inc.
Morris Gross, Vice President, Danbury Hospital



**State of Connecticut
Office of Health Care Access
Letter of Intent/Waiver Form
Form 2030**

All Applicants must complete a Letter of Intent (LOI) form prior to submitting a Certificate of Need application, pursuant to Sections 19a-638 and 19a-639 of the Connecticut General Statutes and Section 19a-643-79 of OHCA's Regulations. Please submit this form to the Commissioner of the Office of Health Care Access, 410 Capitol Avenue, MS# 13HCA, P.O. Box 340308, Hartford, Connecticut 06134-0308.

SECTION I. APPLICANT INFORMATION

If there are more than two Applicants, please attach a separate sheet of paper and provide additional information in the format below.

	Applicant One	Applicant Two
Full legal name	Ridgefield Surgical Center, LLC	
Doing Business As	Ridgefield Surgical Center, LLC	
Name of Parent Corporation	N/A	
Mailing Address, if Post Office Box, include a street mailing address for Certified Mail	901 Ethan Allen Highway Ridgefield, CT 06877 *	
Applicant type (e.g., profit/non-profit)	Profit	
Contact person, including title or position	Keith A. Hovan Sr. Vice President/Operations Danbury Hospital	
Contact person's street mailing address	24 Hospital Avenue Danbury, CT 06811	
Contact person's phone #, fax # and e-mail address	(203) 797-7701 (Telephone) (203) 739-8581 (Fax) Keith.Hovan@danhosp.org	

* Note: This will be the address of the Surgical Center.

SECTION II. GENERAL APPLICATION INFORMATION

a. Proposal/Project Title:

Ambulatory Surgical Center

b. Type of Proposal, please check all that apply:

☒ Change in Facility (F), Service (S) or Function (Fnc) pursuant to Section 19a-638, C.G.S.:

- | | | |
|---|--|--|
| <input checked="" type="checkbox"/> New (F, S, Fnc) | <input type="checkbox"/> Replacement | <input type="checkbox"/> Additional (F, S, Fnc) |
| <input type="checkbox"/> Expansion (F, S, Fnc) | <input type="checkbox"/> Relocation | <input type="checkbox"/> Service Termination |
| <input type="checkbox"/> Bed Addition | <input type="checkbox"/> Bed Reduction | <input type="checkbox"/> Change in Ownership/Control |

☒ Capital Expenditure/Cost, pursuant to Section 19a-639, C.G.S.:

☒ Project expenditure/cost greater than \$ 1,000,000

☐ Equipment Acquisition greater than \$ 400,000

- | | | |
|----------------------------------|---|--|
| <input type="checkbox"/> New | <input type="checkbox"/> Replacement | <input type="checkbox"/> Major Medical |
| <input type="checkbox"/> Imaging | <input type="checkbox"/> Linear Accelerator | |

☐ Change in ownership or control, pursuant to Section 19a-639 C.G.S., resulting in a capital expenditure over \$1,000,000

c. Location of proposal (Town including street address):

901 Ethan Allen Highway, Ridgefield, Connecticut 06877

d. List all the municipalities this project is intended to serve:

Please see attached Service Area list.

e. Estimated starting date for the project: Upon approval.

- f. Type of project: 11 (Fill in the appropriate number(s) from page 7 of this form)

Number of Beds (to be completed if changes are proposed)

Type	Existing Staffed	Existing Licensed	Proposed Increase (Decrease)	Proposed Total Licensed
N/A				

SECTION III. ESTIMATED CAPITAL EXPENDITURE INFORMATION

- a. Estimated Total Capital Expenditure: **\$11,511,554.**
- b. Please provide the following breakdown as appropriate:

Construction/Renovations	\$ 6,824,516
Medical Equipment (Purchase)	4,228,997
Imaging Equipment (Purchase)	192,300
Non-Medical Equipment (Purchase)	265,741
Sales Tax <i>(included above)</i>	
Delivery & Installation	
Total Capital Expenditure	\$11,511,554
Fair Market Value of Leased Equipment	
Total Capital Cost	\$11,511,554

Major Medical and/or Imaging equipment acquisition:

Equipment Type	Name	Model	Number of Units	Cost per unit

Note: Provide a copy of the contract with the vendor for major medical/imaging equipment.

c. Type of financing or funding source (more than one can be checked):

- ☒ Applicant's Equity
 ☒ Lease Financing
 ☒ Conventional Loan
☐ Charitable Contributions
 ☐ CHEFA Financing
 ☐ Grant Funding
☐ Funded Depreciation
 ☐ Other (specify): _____

SECTION IV. PROJECT DESCRIPTION

Please attach a separate 8.5" X 11" sheet(s) of paper and provide no more than a 2 page description of the proposed project, highlighting all the important aspects of the proposed project. Please be sure to address the following (if applicable):

- Currently what types of services are being provided? If applicable, provide a copy of each Department of Public Health license held by the Petitioner. *(See Attachment I)*
- What types of services are being proposed and what DPH licensure categories will be sought, if applicable? *(See Attachment I)*
- Who is the current population served and who is the target population to be served? *(See Attachment II)*
- Identify any unmet need and how this project will fulfill that need. *(See Attachment I)*
- Are there any similar existing service providers in the proposed geographic area? *(See Attachment I)*
- What is the effect of this project on the health care delivery system in the State of Connecticut? *(See Attachment I)*
- Who will be responsible for providing the service? *(See Attachment I)*
- Who are the payers of this service? *(See Attachment I)*

If requesting a Waiver of a Certificate of Need, please complete Section V.

SECTION V. WAIVER OF CON FOR REPLACEMENT EQUIPMENT

I may be eligible for a waiver from the Certificate of Need process because of the following:
(Please check all that apply)

- ☐ This request is for Replacement Equipment.
 - ☐ The original equipment was authorized by the Commission/OHCA in Docket Number: _____.
 - ☐ The cost of the equipment is not to exceed \$2,000,000.
 - ☐ The cost of the replacement equipment does not exceed the original cost increased by 10% per year.

Please complete the attached affidavit for Section V only.

AFFIDAVIT

Applicant: Ridgefield Surgical Center, LLC

Project Title: Ambulatory Surgical Center

I, Richard J. Lipton, M.D. Interim President
(Name) (Position – CEO or CFO)

of Ridgefield Surgical Center, LLC being duly sworn, depose and state that the information provided in this CON Letter of Intent/Waiver Form (2030) is true and accurate to the best of my knowledge, and that Ridgefield Surgical Center, LLC complies with the (Facility Name)

appropriate and applicable criteria as set forth in the Sections 19a-630, 19a-637, 19a-638, 19a-639, 19a-486 and/or 4-181 of the Connecticut General Statutes.

Richard J. Lipton
Signature

5/10/04
Date

Subscribed and sworn to before me on MAY 11, 2004

Angela J. Davis
Notary Public/Commissioner of Superior Court

My commission expires: My Commission Exp. Oct. 31, 2006

STATE OF CONNECTICUT COUNTY OF FAIRFIELD

CONNECTICUT OFFICE OF
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Project Type Listing

Please indicate the number or numbers of types of projects that apply to your request on the line provided on the Letter of Intent Form (Section II, page 2).

Inpatient

1. Cardiac Services
2. Hospice
3. Maternity
4. Med/ Surg.
5. Pediatrics
6. Rehabilitation Services
7. Transplantation Programs
8. Trauma Centers
9. Behavioral Health (Psychiatric and Substance Abuse Services)
10. Other Inpatient

Outpatient

11. Ambulatory Surgery Center
12. Birthing Centers
13. Oncology Services
14. Outpatient Rehabilitation Services
15. Paramedics Services
16. Primary Care Clinics
17. Urgent Care Units
18. Behavioral Health (Psychiatric and Substance Abuse Services)
19. MRI
20. CT Scanner
21. PET Scanner
22. Other Imaging Services
23. Lithotripsy
24. Mobile Services
25. Other Outpatient
26. Central Services Facility

Non-Clinical

27. Facility Development
28. Non-Medical Equipment
29. Land and Building Acquisitions
30. Organizational Structure (Mergers, Acquisitions, Affiliations, and Changes in Ownership)
31. Renovations
32. Other Non-Clinical

ATTACHMENT I

SECTION IV. PROJECT DESCRIPTION

The Ambulatory Surgical Center is an LLC called Ridgefield Surgical Center, LLC, which is to be owned by Danbury Health Systems, Inc. and approximately twenty-eight area physicians. The Surgical Center will provide state-of-the-art outpatient surgical services to patients of the Greater Danbury, Western Connecticut and Eastern New York Area. The entity has been incorporated and is known as Ridgefield Surgical Center, LLC. This entity is seeking approval as a multi-specialty ambulatory surgical center offering seven operating rooms and two endoscopy rooms.

1. Currently, what types of services are being provided? If applicable, provide a copy of each Department of Health license held by the Petitioner.

None. This will be a new ambulatory surgical facility.

2. What types of services are being proposed and what DPH licensure categories will be sought, if applicable?

This project contemplates the development of a facility to deliver ambulatory surgical services, which include procedures in the specialties of Otolaryngology, Orthopedics, General Surgery, Plastic Surgery, Pain Management, and Endoscopy. It is anticipated that the facility will initially operate with five (5) operating rooms and two (2) procedure rooms capable of supporting GI procedures/endoscopy. The proposed facility will have the capacity to perform imaging associated with and as required for the performance of the planned procedures.

3. Who is the current population served and who is the target population to be served?

The target population are residents of Western Connecticut and Eastern New York state. Please see the list of towns to be served attached to this Letter of Intent.

4. Identify any unmet need and how this project will fulfill that need.

Among other things, parking at Danbury Hospital can be difficult for patients and their families seeking ambulatory surgery procedures. In addition, a freestanding ASC is expected to improve scheduling for the convenience of the patients and their families, and their doctors. Danbury Health Systems, Inc. anticipates that by working with these physicians there ultimately will be savings at the Hospital in that it will avoid in whole or part the need to add operating room capacity to accommodate the growth of ambulatory surgery at the Hospital. In addition, as the population of the greater Danbury region is anticipated to grow at a rate of between 5.3% to 5.8% over the next three years, the establishment of this facility will create the capacity required to facilitate timely access to care for patients.

5. Are there any similar existing service providers in the proposed geographic area?

Yes, Danbury Hospital Ambulatory Duracell Center in Danbury and Health South Surgical Center in Danbury.

6. What is the effect of this project on health care delivery system in the State of Connecticut?

It is anticipated that a state-of-the-art surgical center will improve the effectiveness and access of the delivery of outpatient surgical care in the greater Western Connecticut and Eastern New York area.

7. Who will be responsible for providing the service?

The physician members of the joint venture; we anticipate that approximately twenty-eight physicians/surgeons will be involved.

8. Who are the payers of this service?

Medicare	22.6%
Medicare, Mgd.	0.0%
Medicaid	2.6%
Medicaid, Mgd.	3.5%
HMO	23.6%
PPO/Commercial	42.9%
Employee	3.5%
Self Pay	1.2%

ATTACHMENT II

AREAS SERVED BY PROPOSED AMBULATORY SURGERY CENTER

Zip Code	Town	Total Population		Growth
		2001	2006	2001-2006
Primary Service Area Towns				
06801	BETHEL	18,081	18,485	2.2%
06804	BROOKFIELD	15,897	16,628	4.6%
06810	DANBURY	45,959	49,847	8.5%
06811	DANBURY	30,086	31,061	3.2%
06812	NEW FAIRFIELD	14,101	14,686	4.1%
06470	NEWTOWN	14,819	15,725	6.1%
06896	REDDING	8,341	8,628	3.4%
06877	RIDGEFIELD	23,972	25,307	5.6%
		171,256	180,367	5.3%
CT Secondary Service Area Towns				
06752	BRIDGEWATER	1,863	1,942	4.2%
06757	KENT	2,205	2,237	1.5%
06776	NEW MILFORD	26,314	27,622	5.0%
06468	MONROE	19,531	20,669	5.8%
06783	ROXBURY	2,156	2,306	7.0%
06784	SHERMAN	4,022	4,425	10.0%
06488	SOUTHBURY	18,864	20,296	7.6%
06794	WASHINGTON DEPOT	956	931	-2.6%
06897	WILTON	17,873	18,846	5.4%
06798	WOODBURY	9,329	9,773	4.8%
		103,113	109,047	5.8%
NY Secondary Service Area Towns				
10506	BEDFORD	5,164	5,270	2.1%
10509	BREWSTER	19,365	20,759	7.2%
10512	CARMEL	22,399	23,979	7.1%
10526	GOLDENS BRIDGE	1,480	1,618	9.3%
10541	MAHOPAC	27,514	29,154	6.0%
10560	NORTH SALEM	5,242	5,568	6.2%
12563	PATTERSON	8,308	9,173	10.4%
12564	PAWLING	6,527	7,146	9.5%
10576	POUND RIDGE	4,829	4,931	2.1%
10589	SOMERS	7,415	8,013	8.1%
10590	SOUTH SALEM	6,719	6,906	2.8%
		114,962	122,517	6.6%